Sugar Scam

3672. SHRI VAYALAR RAVI: Will the Minister of CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether Government's attention has been drawn to the news item published in the Indian Express on February 2, 2000 under the caption "Another Sugar scam in the offing"; and

(b) if so, what are the details in this regard and the reasons to overrule the concerned Ministry?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (SHRI V. SREENIVASA PRASAD): (a) and (b) The news item published in the Indian Express on February 2, 2000 under the caption "Another Sugar Scam in the offing" mentioned about the addtional freesale sugar quota given by the Government over and above the normal freesale quota. Consequent upon the publication of the above news item, the Government have already clarified the position as under:

"Government has done away with ad-hoc allotment of additional quantities to sugar mills, on a purely discretionary basis, over and above the pro-rata allotment to sugar mills out of the monthly releases of sugar in the freesale. This new policy has come into effect from 1ts January, 2000.

However, certain sugar mills have represented to Government that on account of non-sanction of working capital by banks, they are having problems in settling the dues to the farmers especially during the peak crushing season. Farmers in these areas have been agitated over non-payment of their dues while sugar mills have been producing sugar and stocking them. Taking into account these practical problems, Government have decided to make exceptions in a very few cases to make advance additional allotments during the crushing season to such mills within their over-all yearly entitlement for release. Clear guidelines have been laid down to restrict the number to a few mills who have problems of working capital. Also it has been decided to make these advance releases only for a few months during the crushing season and these are spread over both freesale and levy entitlements. The disbursement of money to the farmers towards cane price dues from the realisation and sale of these additional quantities will also be monitored on month-to-month basis. The advance releases will also be adjusted at the same rate immediately after the crushing season. It is to be noted that advance allotments are made during the season when prices

in the open market are under control and the mills do not have any undue advantage over other mills. The actual allotment of sugar will be made by the Department of Sugar and Edible Oils on exmination of representations from sugar mills received. Reference to PMO or involvement of PMO in any other way does not arise.

It is, therefore, clarified that Government has not restored the system of additional allotments to sugar mills. Only advance allotments are being made in certain exceptional cases."

PDS for the Poor

3673. SHRI RAMDAS AGARWAL: Will the Minister of CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether it is a fact that the current number of people covered under Targeted Public Distribution System (TPDS), is estimated to be 35 crore and annual foodgrains requirement about 17 million tonnes;

(b) whether it is also a fact that food subsidy bill in the last fiscal year was estimated to be Rs. 10,500 crores; and

(c) if so, whether Government propose to allow "PDS only for poor and, in turn, cut save the subsidy on food bill", as reported in the Economic Times New Delhi, dated 26th February, 2000?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (SHRI SHRIRAM CHAUHAN): (a) At the time of introduction of Targeted Public Distribution System (TPDS) in June, 1997, it was intended to benefit 35.79% of the population living below poverty line (BPL) i.e., about 6 crore poor families or 32.04 crores persons. The total requirement of foodgrains was 175 lakh tonnes out of which about 72 lakh tonnes was earmarked for BPL families 10 kg. per family per month and the balance 103 lakh tonnes for above poverty line (APL) families. With effect from 1.4.2000 the allocation of foodgrains to the BPL population has been increased from 10 kg. to 20 kg. per family while maintaining the allocations for the APL families at the same level. The total annual foodgrains requirement for TPDS is now 246.15 lakh tonnes including 142.91 lakh tonnes earmarked for families living below poverty line.

(b) No, Sir. The budget estimate of food subsidy in the year 1999-2000 was Rs. 8200 crores and the revised estimate inclusive of subsidy to State Governments for decentralised procurement was Rs. 9200 crores.